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POLSTER, LIEDER, WOODRUFF & LUCCHESI
12412 POWERSCOURT DRIVE SUITE 200
ST. LOUIS, MO 63131-3615

EXAMINER	
NELSON, FREDA ANN	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/591,416	YATES, JAMES M.	
	Examiner	Art Unit	
	FREDA A. NELSON	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on _____.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-20* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-20* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

This is in response to a letter for a patent filed September 1, 2006 in which claims 1–20 were presented for examination. Claim 7 was amended. Claims 8-20 were added. Claims 1-20 are pending.

Priority

1. Receipt is acknowledged of papers submitted under 35 U.S.C. 119(a)-(d), which papers have been placed of record in the file.

Information Disclosure Statement

2. The information disclosure statement (IDS) submitted on 03/05/2007 is in compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure statement is being considered by the examiner. A copy of PTO-1449 is attached hereto.

Specification

3. The abstract of the disclosure is objected to because it contains references to the drawings which obscure the purpose of the Abstract. Correction is required. See MPEP § 608.01(b).

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 9-20 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As per claims 9-20, the Examiner is unable to determine what the Applicant is claiming by the claim language "the use of the exchange". If the claiming a system for the usage of the method, structure of the system needs to be provided. However, if Applicant is claiming a software/data structure for the usage of the method, the data structures must be claimed as embodied on statutory computer-readable media (i.e., storage media, and excluding non-statutory media such as carrier waves).

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

An invention, which is eligible or patenting under 35 U.S.C. 101, is in the "useful arts" when it is a machine, manufacture, process or composition of matter, which produces a concrete, tangible, and useful result.

Claims 1-7 are directed to a series of steps. In order for a series of steps to be considered a proper process under § 101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2)

transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). Thus, to qualify as patent eligible, these processes must positively recite the other statutory class to which it is tied (e.g., by identifying the apparatus that accomplishes the method steps), or positively recite the subject matter that is being transformed (e.g., by identifying the product or material that is changed to a different state). Claims 1-7 identify neither the apparatus performing the recited steps nor any transformation of underlying materials, and accordingly are directed to non-statutory subject matter.

Also noted in Bilski is the statement, "Process claim that recites fundamental principle, and that otherwise fails 'machine-or-transformation' test for whether such claim is drawn to patentable subject matter under 35 U.S.C. §101, is not rendered patent eligible by mere field-of-use limitations; another corollary to machine-or-transformation test is that recitation of specific machine or particular transformation of specific article does not transform unpatentable principle into patentable process if recited machine or transformation constitutes mere 'insignificant post-solution activity.'" (In re Bilski, 88 USPQ2d 1385, 1385 (Fed. Cir. 2008)) Examples of insignificant post-solution activity include data gathering and outputting. Furthermore, the machine or transformation must impose meaningful limits on the scope of the method claims in order to pass the machine-or-transformation test. Please refer to the USPTO's "Guidance for Examining Process Claims in view of In re Bilskf' memorandum dated January 7,

2009, http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance memo.pdf .

It is also noted that the mere recitation of a machine in the preamble in a manner such that the machine fails to patentably limit the scope of the claim does not make the claim statutory under 35 U.S.C. § 101, as seen in the Board of Patent Appeals Informative Opinion Ex parte Langemyr et al. (Appeal 2008-1495), http://www.uspto.gov/web/offices/dcom/bpai/its/fd081495.pdf .

Claims 8-20 are directed to a series of steps. In order for a series of steps to be considered a proper process under § 101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). Thus, to qualify as patent eligible, these processes must positively recite the other statutory class to which it is tied (e.g., by identifying the apparatus that accomplishes the method steps), or positively recite the subject matter that is being transformed (e.g., by identifying the product or material that is changed to a different state). Claims 8-20 identify neither the apparatus performing the recited steps nor any transformation of underlying materials, and accordingly are directed to non-statutory subject matter.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. **Claim 8** is rejected under 35 U.S.C. 102(e) as being anticipated by Donian et al. (US PG Pub. 2004/0003398).

As per claim 8, Donian et al. discloses a method for operating an online exchange system, comprising:

creating a common index of content from multiple peer-to-peer networks ([0043]); and

providing an interface to said common index, said interface accessible by a standard web-browser to enable searching of said common index ([0043], [0162]; FIG. 1).

7. **Claims 9 and 17** are rejected under 35 U.S.C. 102(e) as being anticipated by O'Kane et al. (US PG Pub. 2003/0097299).

As per claim 9, O'Kane et al. discloses the use of an Exchange method for the transfer or conveyance of ownership of digital media files carrying royalty payment requirements to an associated copyright or royalty owner ([0120]).

As per claim 17, O'Kane et al. discloses the use of claim 9 wherein copyright or royalty owners receive payment on all types of transactions (trade, donation or sale) according to what they have provided online ([0038],[0051]).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

8. **Claims 1-7** are rejected under 35 U.S.C. 103(a) as being unpatentable over Pou et al. (US PG Pub. 2005/004873, in view of O'Kane et al. (US PG Pub. 2003/0097299).

As per claim 1 Pou et al. discloses a method for facilitating commercial exchange of digital media comprising the steps of:

assigning a unique owner identifier to the digital media ([0043]; unique file ID);

assigning a unique identifier to the digital media ([0027], [0043]; unique file ID);

providing a central media database containing a list of the owner identifiers and unique digital media identifiers (;0015]; central database; unique file identifier; [0043]);

providing an exchange interface configured to facilitate an exchange of a digital media in a commercial transaction ([0101]; payment information is processed);

distributing, through said exchange interface, a copy of said digital media from said central media database to said buyer ([0101]; user may be allowed to use the media file).

Pou et al. does not specifically disclose transferring, through said exchange interface, a payment from a buyer to a seller upon verification of an authorized sale of said digital media; and transferring, through said exchange interface, a royalty payment to an owner associated with said authorized sale of digital media.

O'Kane et al. disclose that the invention produced digital acknowledgement trigger analyzes the data to determine the royalties owed and forwards payment to the respective owners, or organizations responsible. (ASCAP, SOCAN, RIAA, etc.) ([0120]). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Pou et al. to include the feature of O'Kane et al. in order to sends and/or route

information and/or payments directly to the parties involved in a normal P2P or file sharing networking environment (O'Kane; [0069]).

As per claim 2, Pou et al. discloses the method of Claim 1 further including the step of assigning a type-code to the digital media to identify the type of work ([0042],[0051]).

As per claim 4, Pou et al. discloses the method of Claim 1 wherein said authorized sale of said digital media is a sale between a previous buyer of said digital media and a subsequent buyer ([0046]).

As per claim 5, Pou et al. discloses the method of Claim 1 wherein said authorized sale of said digital media is a sale of an authorized copy of said digital media between an authorized commercial reseller and a buyer of said digital media ([0105]).

As per claim 6, Pou et al. discloses the method of Claim 1 wherein said authorized sale of said digital media is a referral sale of an authorized copy of said digital media between an authorized seller and a buyer of said digital media, facilitated by an referring party; and further including the step of transferring, through said exchange interface, a referral payment to said referring party ([0105]).

As per claim 7, Pou et al. discloses a method for facilitating commercial exchange of digital medial media files accessible on a peer-to-peer network comprising the steps of:

providing a central media database containing a list of digital media master files, unique digital media file identifiers, associated owner identifiers, and associated copyright owner identifiers ([0015],[0043]);

maintaining a searchable index of digital media files offered for sale by members of the peer-to-peer network ([0081]);

searching said index to identify a digital media file desired for purchase by a buyer ([0081],[0100]-[0101]);

providing an exchange interface configured to facilitate exchange of digital media identified in said searchable index and stored in said central media database ([0101]); and

distributing a copy of said digital media to said buyer from said central media database ([0027]).

Pou et al. does not specifically disclose transferring, through said exchange interface, a payment from a buyer to a seller on said peer-to-peer network upon verification of an authorized sale of a digital media file located with said exchange interface; and transferring, through said exchange interface, a royalty payment to an owner associated with said authorized sale of digital media.

O'Kane et al. disclose that the invention produced digital acknowledgement trigger analyzes the data to determine the royalties owed and

forwards payment to the respective owners, or organizations responsible. (ASCAP, SOCAN, RIAA, etc.) ([0120]). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Pou et al. to include the feature of O'Kane et al. in order to sends and/or route information and/or payments directly to the parties involved in a normal P2P or file sharing networking environment (O'Kane; [0069]).

9. **Claim 3** is rejected under 35 U.S.C. 103(a) as being unpatentable over Pou et al. (US PG Pub. 2005/0004873), in view of O'Kane et al. (US PG Pub. 2003/0097299), as applied to claim 1 above, and further in view of Mikkelsen et al. (US Patent Number 7,548,875).

As per claim 3, Pou et al. in view of O'Kane et al. discloses the method of Claim 1 as described above, but does not specifically disclose wherein said authorized sale of said digital media is a sale of a physical media storing a copy of said digital media.

Mikkelsen et al. disclose the unique delivery method provides a seller or service provider with a convenient and more efficient way of promoting and selling entire sound and image files which include downloadable music, movies, films, shows, and items such as records, cassette tapes, CDs, videos, and DVDs ([0007]). Mikkelsen et al. further disclose that the accessing of sound and/or image files by other electronic devices, such as home phones, computers, pagers, doorbells, alarms, palm pilots, watches, clocks, PDAs etc., for either allowing the consumer to browse, download, hear, view, and/or purchase sound

recordings, image files, or associated items, or to use sound and/or image clips as alerts is also part of the invention and not limited to solely telephones ([0014).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Pou et al. to include the feature of Mikkelsen et al. in order to provide a seller/distributor or service provider with a convenient and more efficient way of promoting and selling digital media (Mikkelsen et al.; [0007]).

10. **Claims 10 and 13** are rejected under 35 U.S.C. 103(a) as being unpatentable O'Kane et al. (US PG Pub. 2003/0097299), as applied to claim 9 above, and further in view of Donian et al. (US PG Pub. 2004/0003398)

As per claim 10, O'Kane et al. discloses the use of an Exchange method for the control of the payment and ownership conditions for the transfer or conveyance of ownership of digital media files by a copyright or royalty owner ([0120]). O'Kane et al. does not specifically disclose control of the payment and ownership conditions for the transfer or conveyance of ownership in real time.

Donian et al. discloses these advertisements are sequenced together and inserted into the content stream extemporaneously (i.e. "on the fly") by software running independently on each consumer's device, in response to the consumer's particular media requests and interactions with the specific content session running on each device. In an alternate embodiment of the invention, which may be employed for example in satellite radio or digital cable television receivers, targeted advertisements may be interspliced into an original broadcast

presentation in real-time, thereby providing broadcast programming with promotional material tailored to the preferences, demographics, or other relevant criteria of individual users, in addition to and/or in place of those ads specifically associated with the broadcast media ([0143]). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane to include the real-time features as taught be Donian et al. to provide up-to-date transactions

As per claim 13, O'Kane discloses the use of claim 9, wherein the Exchange method enables owners of digital media files (including copyright or royalty owners) to offer their digital media for sale([0058],[0069]).

11. **Claims 11-12 and 18** are rejected under 35 U.S.C. 103(a) as being unpatentable O'Kane et al. (US PG Pub. 2003/0097299), as applied to claim 9, and further in view of Pou et al. (US PG Pub. 2005/004873).

As per claim 11, O'Kane et al. discloses the use of claim 9, but does not specifically disclose wherein the Exchange method includes immobilizing a physical media corresponding to the digital media files.

Pou et al. discloses if the payment fails, the user can enter a different payment method and try again. If the user chooses not to try again or if no payment method offered is validated, the transaction is cancelled and access to the media file is denied ([0080]).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to include the ability to deny media as taught by Pou et al. since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

As per claim 12, O'Kane et al. discloses the use of claim 9, but does not specifically disclose wherein the Exchange method includes providing a record of the purchase (verified ownership).

Pou et al. discloses a digital wrapper may then be applied to the media file (step 310); and the content owner (e.g., the record label, publisher, or independent artist) or someone else in the distribution chain may apply, adjust, or enhance the digital wrapper to the media file. The digital wrapper may include attributes such as a title, author/artist, and volume/collection along with business rules specifying ownership, usage rights, royalty fees, and pass-along payout levels (i.e., commissions that will be paid to individuals along the distribution chain). This combined information is given a "Unique File ID" (UFID) and may be stored in a central database (see FIG. 2). The UFID is included in the wrapper during any and all transmissions and is used as a mechanism to identify the media file and to trigger specific functions like copyright owner payment events, file usage database updates, and micro-payment fee allocations for

consumer pass-along activities ([0085]).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to include the verification feature as taught by Pou et al. since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

As per claim 18, O'Kane et al. discloses the use of claim 9, but does not specifically disclose wherein plural transaction configurations are available within the Exchange method.

Pou et al. discloses each time a sales transaction occurs for a particular media file, identification information for users in the distribution channel may be extracted from the wrapped media file to determine who is entitled to share in the revenue. All transactions may be centrally tracked for payment and analysis. A central tracking database can be used to track payments for resellers, distributors (which may include users who pass along a wrapped file), and users who pass along a file that arrives without a wrapper. This latter situation can occur, for example, when a user shares a song that originated from a standard audio CD or DVD. The referring user's ID can be entered at the time of purchase so that the referrer and related resellers and distributors can be compensated.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to include the ability to perform various transaction as taught by Pou et al. since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

12. **Claims 14** is rejected under 35 U.S.C. 103(a) as being unpatentable O'Kane et al. (US PG Pub. 2003/0097299), in view of Donian et al. (US PG Pub. 2004/0003398), as applied to claim 13 above, and further in view of Pou et al. (US PG Pub. 2005/004873).

As per claim 14, O'Kane does not specifically disclose wherein said owners (including copyright and royalty owners) may optionally control conditions of resale of said digital media online.

Pou et al. discloses a central tracking database can be used to track payments for resellers, distributors (which may include users who pass along a wrapped file), and users who pass along a file that arrives without a wrapper. This latter situation can occur, for example, when a user shares a song that originated from a standard audio CD or DVD. The referring user's ID can be entered at the time of purchase so that the referrer and related resellers and distributors can be compensated ([0048]). Pou et al. further discloses the media file wrapper can contain information identifying the original reseller and distributor

in the event that the user received the media file from a recognized reseller and distributor, as well as information identifying the user who further distributes the media file. Based on business rules associated with the file, this information enables the reseller and the user to receive compensation for purchases made as the media file is passed along. Additionally, where a file is sent or received unwrapped, a referring user, reseller, and distributor can still be compensated as long as their unique identification is included with the transaction data ([0105]). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to include the ability to resell digital media as taught by Pou et al. since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

13. **Claims 15** is rejected under 35 U.S.C. 103(a) as being unpatentable O'Kane et al. (US PG Pub. 2003/0097299), as applied to claim 9 above, and further in view of Wu (US PG Pub. 2003/0074322).

As per claim 15, O'Kane discloses the use of claim 9, but does not specifically disclose wherein said owners can use the digital media that they own within the conditions provided by the copyright or royalty owners.

Wu discloses in FIG. 4, the file owner is the file provider, which can be the copyright owner 2200, the platform service provider 2100, or one of the

consumers 2300 who has downloaded the file and is willing to share. In step 2410, the file provider 2400 already uploads the information of files to be shared to the database 2120 through the sharing function immediately after the search sharing system is started. Other consumers 2300 search in the database 2120 through the search sharing system in step 2420 and obtain a list of file providers who own the desired files. After the consumer 2300 selects to download and purchase the file from a particular file provider 2400 (step 2430), the consumer 2300 becomes a downloader. The network devices of the downloader is driven by the search sharing system to communicate directly to the devices of the file provider 2400 in the peer-to-peer connecting way. After the connection between the two parties is successful, the file is duplicated and transferred from the search sharing system of the file provider 2400 to that of the consumer 2300, without any bandwidth and system resources from the platform service provider 2100. Furthermore, the downloader, i.e. that consumer 2300, can use a computer or other file processing devices to process and use the downloaded digital file. The consumer can also choose to leave the file in the search sharing system for sharing with other consumers, becoming the role of a file provider 2400 ([0029]).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to include the ability of the content owner to use the digital marketplace as taught by Wu since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same

function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

14. **Claims 16** is rejected under 35 U.S.C. 103(a) as being unpatentable O'Kane et al. (US PG Pub. 2003/0097299), as applied to claim 9 above, and further in view of Tadayon et al. (US Patent Number 7,222,104).

As per claim 16, O'Kane discloses the use of claim 9, but does not explicitly disclose wherein prices for sale of said digital media can be determined by independent bids and offers as well as other criteria applied online by the copyright or royalty owner.

Tadayon et al. discloses the preferred embodiment can be adapted to an auction, as well. The right to auction can be awarded by the original content owner to the user, and the user can exercise this right, provided that the price limitations, time limitations, geographical limitations, and usage limitations (specified by the content owner) are followed. The price or range of price or percentages/fees/commissions can be predetermined, or can be dynamic, for example, using the market or other factors, for example, set by the current user. To encourage the exchange between friends, peer-to-peer distribution, or super-distribution, point or other rewards can be awarded to the user. Super-distribution can be done through e-mail or instant-messaging, using address books or "buddy lists" (col. 5, lines 53-65)

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to

include the ability to auction digital media as taught by Tadayon et al. for the purpose of receiving more money from the sale of the content from interested parties since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

15. **Claim 20** is rejected under 35 U.S.C. 103(a) as being unpatentable O'Kane et al. (US PG Pub. 2003/0097299), as applied to claim 9 above, and further in view of Moskowitz (US PG Pub. 2003/0200439).

As per claim 20, O'Kane et al. discloses the use of claim 9, but does not specifically disclose wherein the Exchange method enables multiple Exchanges to exchange information with each other for the purpose of completing transactions.

Moskowitz discloses the exchange creates a central hub, or plurality of hubs, for planning bandwidth supply, accounting, and disseminating pricing information. This hub may take the form of a syndication or plurality of similarly suited exchanges or there may be exchange rate features to account for differences between telecommunications costs in a given locality or geographic location (such as a country, city or states). Differences may exist between exchanges in the types of cryptographic protocols which are used by the exchange, as well. Alternatively, the differences between how pricing information is disseminated between various exchanges will relate specifically to the cost of

the telecommunications (i.e., "intrinsic value") based on the form of deployment (POTS versus cable) or spectrum being handled (wireless 900 MHz versus 3G) ([0102]).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to include the multiplicity of exchanges to as taught by Moskowitz to provide a marketplace of digital content since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

16. **Claim 19** is rejected under 35 U.S.C. 103(a) as being unpatentable O'Kane et al. (US PG Pub. 2003/0097299), in view of Pou et al. (US PG Pub. 2005/004873), as applied to claim 18 above, and further in view of Demers et al. (US PG Pub. 2004/0068536).

As per claim 19, O'Kane et al. discloses the use of claim 18, but does not explicitly disclose wherein one of the plural transaction configurations is a classical store.

Demers et al. discloses the client user may be given the option to print out the list for manual shopping at a physical retail location. This list may also be sent via SMTP or similar e-mail transmission to a physical store for fulfillment, to be picked up by the client user. Preferably, the recorded media device and

central server can be integrated with an interactive two-way conduit of information, e.g. via CDF. In this manner, audio, video and graphics may be integrated in a manner that provides a multimedia experience to the client user while transferring information to and from the client. The information accessed by the client user, e.g., via execution of http links through the browser function of the present invention, allows for the mining of web information via a customized interface on the client's desktop ([0037]). Demers et al. further discloses the user interface provides for a similar "look and feel" for the user, but also allows the user to access and display information from a variety of sources, including local media (e.g. hard drive or digital media) and web-based online content, including dedicated integrated servers, affiliated servers or even other computer users (e.g. peer-to-peer) ([0065]).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of O'Kane et al. to include the convenience of utilizing the system in a physical store as taught by Demers et al. since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Conclusion

17. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

1) Hurt ado et al. (US PG Pub. 2003/0105718), which discloses a secure electronic content distribution on CDs and DVDs.

2) Levy (US Patent Number 7,266,704), which discloses user-friendly rights management systems and methods.

3) Rhoads et al. (US PG Pub. 2004/0128514), which discloses a method for increasing the functionality of a media player/recorder device or an application program.

18. Any inquiry concerning this communication or earlier communications from the examiner should be directed to FREDA A. NELSON whose telephone number is (571)272-7076. The examiner can normally be reached on Monday-Friday, 10:00 am -6:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Hayes can be reached on 571-272-6078. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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/F. A. N./
Examiner, Art Unit 3628

/JOHN W HAYES/
Supervisory Patent Examiner, Art Unit 3628